

Message Text

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ORIGIN EA-12

INFO OCT-01 ISO-00 DODE-00 PM-05 SS-15 SP-02 ACDA-12
IGA-02 MCE-00 TRSE-00 OMB-01 EB-08 COME-00 AID-05
/063 R

DRAFTED BY EA/TIMBS:LLROCKE:EVC
APPROVED BY EA/TIMBS:REFRITTS
EA/RA-PMU:MEILAND
PM:HMCELROY
DOD/DSAA:JBILLINGS (SUBS)
-----014929 140918Z /23
R 140149Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY RANGOON

C O N F I D E N T I A L STATE 010775

E.O. 11652: GDS

TAGS: MMOL, MASS, BM

SUBJECT: BURMESE FMS PURCHASES

1. AT OUR INITIATIVE, WE ARRANGED A MEETING JAN 9 FOR GUB
AMBASSADOR U TIN LAT AND NEW MILITARY ATTACHE, COL. TIN
AYE, TO MEET WITH DEPT (EA/TIMBS AND RA PLUS PM) AND
DOD/DSAA TO DISCUSS STATUS AND PROSPECTS FOR FMS PURCHASES.
BASIC AIM OF MEETING WAS TO IMPROVE BOTH BURMESE EMBASSY
AND INTERNAL USG COORDINATION IN HANDLING BURMESE REQUESTS.
DURING COURSE OF MEETING, STATUS OF ITEMS WAS DISCUSSED AS
FOLLOWS:

(A) 40 MM GRENADES: COL. AYE STATED GUB REQUESTED 50,000
ROUNDS, BUT HE WAS AWAITING INSTRUCTION FROM RANGOON ON
POSSIBILITY OF ORDERING ADDITIONAL QUANTITY SUFFICIENT TO
FILL AN ENTIRE AIRCRAFT - APPROXIMATELY 119,000 ROUNDS.
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HE WAS ASSURED THAT WHEN BURMESE DETERMINE AMOUNT DESIRED,
DSAA CAN PROVIDE LOA AND BURMA CAN THEN MAKE PAYMENT
IMMEDIATELY THEREAFTER TO MEET ITS FISCAL YEAR DEADLINE.
AMBASSADOR INDICATED GUB WANTS GRENADES ARRIVE RANGOON
ASAP (PREFERABLY PRIOR MARCH 31). COL. AYE, HOWEVER,
INDICATED MARCH 31 FOR IMPORTANT FISCAL RATHER THAN
MILITARY REASONS. USG OFFICIALS STATED U.S. COULD NOT

RPT NOT GUARANTEE GRENADE SHIPMENT BEFORE END MARCH 1978,
BUT WILL MAKE EVERY EFFORT EXPEDITE THIS ORDER.

(B) 57 MM RECOILLESS RIFLES AND ROUNDS: DSAA REP AND COL. AYE REVEALED GUB HAD SUBMITTED LETTER JANUARY 6, 1978 REFLECTING GUB DECISION PROCURE USED 105 RECOILLESS RIFLES (57 MM) AND 39,000 ROUNDS OF AMMUNITION. DSAA REP STATED IT WOULD BE MOST EXPEDITIOUS IF RIFLES WERE RETURNED TO U.S. FROM IRAN (AT U.S. EXPENSE) RATHER THAN SHIPPED DIRECTLY TO RANGOON. (SUBSEQUENT TO THIS MEETING DSAA ADVISED THAT THEY ARE NOW INVESTIGATING POSSIBILITY OF SHIPPING TO RANGOON DIRECTLY FROM IRAN. DATA ON THIS SHOULD BE AVAILABLE IN A WEEK OR SO.) THE 39,000 ROUNDS ARE THE REMAINDER OF U.S. STOCKPILE AND WILL COME DIRECTLY FROM U.S. AS WITH 40 MM GRENADES, GUB IS CONCERNED ABOUT COMPLETING THIS TRANSACTION BEFORE MARCH 31. DSAA REP INDICATED AMMUNITION WOULD TAKE 60 TO 90 DAYS TO SHIP, BUT USG REPS WOULD MAKE EVERY EFFORT EXPEDITE.

(C) OTHER ITEMS OF INTEREST: AMBASSADOR INDICATED GUB WOULD LIKE SPARE PARTS FOR 105 MM HOWITZERS AND SOME COMMUNICATIONS EQUIPMENT. HE ALSO EXPRESSED INTEREST IN FUTURE PURCHASES 40 MM GRENADES AND 57 MM ROUNDS IN SINGAPORE OR SOUTH KOREA. WE OUTLINED PROCEDURES GUB SHOULD FOLLOW INCLUDING DIPLOMATIC CONTACTS RELATED TO SOURCE COUNTRY OBTAINING USG TRANSFER APPROVAL.
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AMBASSADOR SAID GUB MIGHT ALSO EXPLORE BELGIAN AND FRENCH SUPPLIERS. DSAA REP EXPLAINED WHY SEA CARRIAGE OF EQUIPMENT AND AMMUNITION WAS NOT FEASIBLE -- MAINLY BECAUSE NO U.S. FLAG SHIPS GO DIRECTLY TO BURMESE PORTS.

(D) C-130 PURCHASE: AS AMBASSADOR WAS ABOUT TO LEAVE, HE WONDERED "ALOUD" HOW GUB MIGHT FINANCE PURCHASE OF NEW OR USED C-130S CITING GUB INTEREST IN CARGO ACFT. JUST ONE ACFT COULD "EXHAUST" IN ONE YEAR GUB BUDGET ALLOCATION. DISCUSSION INDICATED THAT FEW USED C-130S AVAILABLE ON WORLD MARKET. ON FINANCING, WE NOTED THEORETICAL OPTIONS OF FMS CREDITS, FMS CASH PURCHASE SPREAD OVER TWO FISCAL YEARS, AND COMMERCIAL FINANCING THROUGH MANUFACTURER. WE INDICATED THAT ADDING COUNTRIES TO FMS CREDIT LIST WAS PROBLEMATICAL EVEN FOR TECHNICAL REASONS UNDER STRICTURES ARMS TRANSFER POLICY. AMBASSADOR INDICATED HE ALSO AWARE BAC WAS SHOPPING AROUND FOR JET CARGO AIRCRAFT BUT NOTED BAC UNINTERESTED IN C-130. NOTE: AMB. SUBSEQUENTLY TELEPHONED ON ANOTHER MATTER AND USED OCCASION TO STRESS THAT HIS QUERY ON C-130 FINANCING WAS "INFORMAL" AND WITHOUT GUB INSTRUCTIONS. EMBASSY RANGOON SHOULD PROTECT ACCORDINGLY.

2. GUB AMBASSADOR AND MILITARY ATTACHE THANKED ALL
CONCERNED FOR INFORMATIVE MEETING AND WILL ASK GUB TO
PROVIDE ANSWERS SOONEST RE 40 MM GRENADES. VANCE

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